

VZCZCXRO0163  
PP RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR  
DE RUEHAK #1374/01 2131005  
ZNY CCCCC ZZH  
P 311005Z JUL 08  
FM AMEMBASSY ANKARA  
TO RUEHC/SECSTATE WASHDC PRIORITY 7007  
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE  
RUEHIT/AMCONSUL ISTANBUL 4542  
RUEAIIA/CIA WASHDC  
RHMFISS/EUCOM POLAD VAIHINGEN GE  
RUEKJCS/JOINT STAFF WASHDC//J-3/J-5//  
RHEHAAA/NSC WASHDC  
RUEUITH/ODC ANKARA TU  
RUEKJCS/SECDEF WASHDC  
RUEUITH/TLO ANKARA TU  
RHEFDIA/DIA WASHDC  
PROG

C O N F I D E N T I A L SECTION 01 OF 03 ANKARA 001374

SIPDIS

E.O. 12958: DECL: 07/30/2017

TAGS: [PGOV](#) [KDEM](#) [TU](#)

SUBJECT: TURKEY RELIEVED AT COURT DECISION NOT TO CLOSE  
RULING PARTY

REF: ANKARA 1373

Classified By: Deputy Chief of Mission Doug Silliman for reasons 1.4(b)  
,(d)

11. (C) Summary and comment. Turks breathed a collective sigh of relief July 30 as the Constitutional Court released its decision to fine but not close the ruling Justice and Development Party (AKP) for anti-secular activities (reftel).

Announced after three days of deliberations, the ruling came with a stern warning for the party to "draw the necessary lessons" from the case. The Court's detailed reasoning will be released shortly, after which AKP will be required to return approximately \$27 million in state funding. The decision does not end Turkey's political power struggle but it gives AKP a second chance, an outcome many thought unlikely when the case was filed March 14. After weeks of uncertainty and endless speculation about AKP's fate, many will now escape the capital for long-delayed holidays. When they return, the focus will be on AKP's agenda as the first indication of whether party leaders will heed the Court's warning by reaching out to all Turks. A conflict-weary public may not be forgiving if Erdogan fails again to bridge Turkey's deep polarization with a consensus-driven approach. End summary and comment.

Talk of Unity and Mild Crowing

12. (U) Following the Court's statement, PM Erdogan said the decision spares Turkey from a "major shame", adding the country must now make up for lost time. In remarks reminiscent of his July 2007 election victory speech, he pledged to embrace all Turks, to make unity the first priority and to pursue full EU membership consistent with Ataturk's vision of a modern Turkey. He added that AKP acted responsibly while the case was pending to save the country from economic, political and social repercussions. "We are pleased the public has not had to pay a more serious toll." Denying AKP was ever a center of anti-secular activities, Erdogan promised to evaluate the Court's reasoning, adding, "from now on we will adhere to the basic principles of our Republic."

13. (U) AKP MPs were instructed to refrain from commenting on the verdict until after the party's July 31 group meeting, however, Parliament Speaker Koksall Toptan and Culture Minister Ertugrul Gunay separately noted the decision would ease tensions. Toptan pledged AKP would read the Court's decision carefully and draw the necessary conclusions. Gunay stressed the need to find an approach that will avoid further

chaos in Turkey. State Minister Mehmet Aydin told the press AKP would look forward, not backward, from now on. AKP Deputy Group Chair Sadullah Ergin, on the party's legal team, said the decision "is not a legal victory for us," adding state funding should not have been cut. Predicting the decision would strengthen Turkey's democracy, AKP MP Salih Kapusuz said the party will focus on its gains, rather than its losses.

#### Opposition's Mixed Response

-----

14. (U) Opposition Republican People's Party (CHP) leader Deniz Baykal claimed the 6-5 vote, one short of the 7 votes required for closure, confirms there is a serious secularism crisis in Turkey that the Court's decision "diagnosed" but did not resolve. He urged AKP to heed the Court's warning and change its approach on secularism. CHP MP Mustafa Ozyurek maintained the 10-1 vote to fine the party shows a majority of judges viewed AKP as guilty of anti-secular activities, adding he hopes AKP will be more careful now and avoid dragging Turkey through more chaos. CHP deputy Canan Aritman criticized the decision and the Court, questioning whether the judiciary remained the Republic's protector. Far-right Nationalist Action Party (MHP) leader Devlet Bahceli also urged AKP to learn from the decision, warning Erdogan that "the will of the nation does not mean full authorization for political governments to do anything they want." MHP MP Tugrul Turkes viewed the ruling as positive for Turkey's foreign and economic relations but doubted AKP would understand the Court's message. Ahmet Turk, Chairman of the Democratic Society Party (DTP) which is awaiting a

ANKARA 00001374 002 OF 003

ruling in its closure case, said the Court passed an important test of democracy, but added, "This does not mean AKP has not made mistakes." Democrat Party (DP) Chairman Soylu also viewed the decision as good for Turkey's democracy. Hak-Is President Salim Uslu praised the Court for protecting the judiciary's independence and integrity.

#### TGS Keeps Mum

-----

15. (U) Turkish General Staff (TGS) Chief of Defense General Buyukanit snapped at reporters asking for comments on the decision, stressing the TGS's views on secularism will not change. Earlier, a top general told us AKP's vindication would be bad and there had to be some penalty. Two retired flag officers said they would be "disappointed" if AKP were not closed, adding they and most of their retired military colleagues viewed the closure case as the "last chance" to curb the "anti-secular movement." One feared a decision short of closure would embolden AKP to continue efforts to erode Turkey's secular identity. He expected the military to respect the Court's decision, and emphasized the military will continue to serve as the protector of Turkey's constitutional order and secular identity.

#### Positive Outcome for EU Bid

-----

16. (U) Commenting on the ruling, EU President France urged Turkey's political leaders to resolve differences through dialogue and consensus, a message echoed by EU Commissioner for Enlargement Oli Rehn, who also called on Turkey to focus on consensus-based reforms. European Parliament Turkey rapporteur Ria Oomen-Ruijten and Socialist Group Vice Chairman Hannes Swoboda welcomed the decision, expressing relief at the "excellent" news. Swoboda said it was a "brick laid for building stability in Turkey." Chief Justice Kilic's call for political leaders to bring the constitution and political parties law into conformance with Western standards set a positive tone. Speaker Toptan urged all parties to seriously consider Kilic's request.

#### Market Rally Expected

-----

17. (U) Turkish financial markets are expected to rally

further following the Court's decision. The Istanbul Stock Exchange (ISE-100) gained 18% in July, which analysts attribute to lower oil prices and anticipation of a Court ruling short of party closure. The ISE-100 stands just below 43,000; even a 10% gain would leave the index well below its 55,000 level at the start of the year. Bonds also gained overnight, with benchmark rates falling to 18.6%, their lowest since April 25. They are expected to gain further, in anticipation of lower interest rates and a stronger lira resulting from the decision.

¶8. (U) The dollar began falling against the lira July 30, once the press reported the Court decision was imminent (an early decision was predicted to favor AKP). The dollar fell from 1.20 to 1.18 lira by the market's close, and then to 1.16 when markets opened July 31. Analysts expect the dollar to remain weak against the lira for some time. Turks added approximately \$10 billion to their foreign currency deposits since the closure case was filed in March; much of that is expected now to be sold. The Court's decision is expected to spur additional capital inflow, which will further add to the lira's strength.

Next on the Agenda...

-----  
¶9. (C) Having narrowly avoided closure, Erdogan will need to make good on his pledge to embrace all Turks, a promise he made but failed to keep after the July 2007 elections. With 10 of 11 judges finding AKP guilty of anti-secularist activities, the decision likely only confirms many AKP-opponents' suspicions about the party's Islam-oriented image. AKP contacts tell us constitutional and EU-related reforms will top the party's agenda; neither will be easy to achieve, even if Erdogan and AKP pursue a promised consensus-oriented approach.

¶10. (C) Despite the ruling, the underlying struggle between AKP and the Kemalists continues. The next battle may well be

ANKARA 00001374 003 OF 003

over constitutional reforms and long-term government appointments within the secular bastions of academia, the judiciary and the military. To succeed, Erdogan will have to be willing to build a broader agreement on governance and convince conflict-weary Turks -- including many in the opposition -- that AKP can lead the country from chaos to consensus.

Visit Ankara's Classified Web Site at  
[http://www.intelink.sgov.gov/wiki/Portal:Turk\\_ey](http://www.intelink.sgov.gov/wiki/Portal:Turk_ey)

WILSON